

**Report of the Hoda Committee**

877. SHRIMATI SHOBHANA BHARTIA: Will the Minister of COAL be pleased to state:

(a) whether a road map prepared by the Minister calls changes in Coal Mines Nationalisation Act to attract investment through private participation;

(b) whether Government are planning a new royalty structure for coal that would have a fixed as well as variable component to replace the existing system of a fixed rate per tonne of coal extracted;

(c) whether the Hoda Committee has also recommended a transition to the *ad-valorem* system from the current fixed system;

(d) if so, whether this proposal envisages Rs. 118.000 crore investment; and

(e) if so, whether Government have considered the proposal and the final decision taken thereon?

THE MINISTER OF STATE IN THE MINISTRY OF COAL (DR. DASARI NARAYAN RAO): (a) A Bill, namely the Coal Mines (Nationalisation) Amendment Bill, 2000 that seeks, *inter-alia*, to permit participation of private sector in coal mining, without the present restriction of capitive use, has already been introduced in the Rajya Sabha in April, 2000.

(b) The Committee constituted on 02.06.2005 to consider revision of rates of royalty on coal and lignite submitted its report on 14.07.2006. The recommendations made by the Committee are still under consideration of the Government.

(c) The Hoda Committee set up to review the National Mineral Policy and to recommend possible amendments to the Mines and Minerals (Development and Regulation) Act, 1957 has recommended that "the method of fixation of rates of royalty should move forward decisively on the basis of *ad valorem* rates" for minerals excluding fuel minerals.

(d) The High Level Committee has made no such recommendation.

(e) Does not arise in view of reply given to part (d) above.